USN MBA202

## Second Semester MBA Degree Examination, June/July 2025 Financial Management

Max. Marks: 100

Notes: 1. Answer any FOUR full questions from Q.No. 1 to Q.No. 7

- 2. Question No. 8 is compulsory.
- 3. M:Marks, L:Bloom'slevel, C: Course outcomes.

					190	7			- V	M	L	С
Q.1	a.	What are the obj	jectives of	Financia	al Manag	ement?		7		3	L2	COI
	b.	State the difference between Primary and Secondary market.					7	L2	CO1			
	c.	Birla company Ltd. is evaluating a project that has the following cash flow. The cost of capital is 15%. You are required to calculate the Modified Internal rate of return.						st of 10	L2	CO3		
		Year Cashflow(in mill	000) 11	20 -8	2	3	4	5	6			
		Cashflow(in mill	ons)   -12	-8	0 20	60	80	100	120			
		2	4 Jan 1			tado.						
		4.6	. V		9	Trans.						
Q.2	a.	What do you me	an by Tim	e Value	of Mone	ý?				3	L3	CO2
	b.	An investor deposits Rs 20000 in a Bank Account for 5 years at 8 % interest. Calculate the amount he will have in his account if interest is compounded. i) Annually ii) Semi - annually iii) Quarterly iv) Continuously.									L2	CO3
	c.	Maruti company to be repaid 5 eq amortization sch	ual install							is 10	1.2	CO3
		-0	and the same of th		Bu S	2			No.			
Q.3	a.	Mr. Kapoor plans to send his daughter for higher studies abroad after 10 years. He expects the cost of these studies to be Rs 10,00,000. Calculate how much he would save annually to have a sum of Rs 10,00,000 at the end of 10 years, if the interest rate is 12 percent.						he	L2	CO3		
	b.	Explain the sources of Financing.							7	1.2	CO3	
	c.	Briefly explain the emerging areas in Financial Management.							10	L2	CO1	
					And							
Q.4	a.	What do you und			ζ*	77 /				3	L2	CO1
	b.	A company is considering which of two mutually exclusive project it should undertake. The company anticipates a cost of capital of 5% and net after tax cash flows of the project are as follows:								uld 7 ash	L2	CO3
		Year	0	1	2	3		4	]			
		Project X	-30000	15000	15000	10000	1	0000				
		Project Y	40000	25000	20000	15000	1	0000				
		Calculate the NPV of each project, recommend which project is better.										

	c.	Akash ltd. has following details. Determine WACC.						CO3		
		Sources of funds	Book value	Market value	Specific cost %		1			
		Debt	400000	380000	5	CONTRACTOR OF THE PARTY OF THE	manage.			
		Preference	100000	110000	8 /	1	1 4	1		
		Retained earnings	200000	1	13 / 🕏 🗸		Shi	13		
		Equity capital	600000	1200000	15# *	3.1	endi_	3.8		
				- A. 1		en on any	9H	.a 3		
					( ) 4	1		15		
Q.5	a.	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1								
		72 and the rule of 69 respe	ctively.			700	b0: 219/57			
	b.	Define financial manageme	ent Briefly eval	ain the role of finance	manager	7	L2	CO1		
	17.	Define imaneiai manageme	ont. Briefly expi	am the fole of manee	manager.					
	c.	The following information	7	10	L4	CO5				
		Units sold		190000						
		Unit sales price	1.7	Rs.5						
		Fixed cost		Rs.250000						
		Variable cost per	unit	Rs. I						
		Tax rate		50%						
		10% Debt capital		Rs.600000						
		Calculate OL, FL & CL.		Z.,						
		A 700	Andrea							
0.6	a.	A company issues Rs.10 l	akhs,10% rédee	mable debentures at	a discount of 5%.	3	L2	CO3		
Q.6	a.	A company issues Rs.10 la The cost of floatation cost years at par. Calculate after	t is Rs. 30000. r tax cost of deb	The debentures are re t assuming tax rate of	edeemable after 5					
Q.6	a. b.	The cost of floatation cost	t is Rs. 30000. r tax cost of deb	The debentures are re t assuming tax rate of	edeemable after 5	7	L2	C03		
Q.6		The cost of floatation cost years at par. Calculate after	t is Rs. 30000. The tax cost of debtining working capital recept also and the capital	The debentures are retained tax rate of assuming tax rate of apital.	ollowing data of a			CO4		
Q.6	b.	The cost of floatation cost years at par. Calculate after Discuss the factors determined Prepare the estimate of work trading concern:  Raw materials -52, Disprofit-119.5, Selling price-	t is Rs. 30000. The tax cost of debtining working capital recept also and the capital	The debentures are retained the assuming tax rate of apital.  quirement from the formula of the second seco	ollowing data of a	7	L3	CO4		
Q.6	b.	The cost of floatation cost years at par. Calculate after Discuss the factors determined Prepare the estimate of work trading concern:  Raw materials -52, Disprofit-119.5, Selling price-	t is Rs. 30000. The tax cost of debring working capital recorded labour-19.	The debentures are retained that assuming tax rate of apital.  quirement from the formula of the	ollowing data of a	7	L3	CO4		
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Q.6	b.	The cost of floatation cost years at par. Calculate after Discuss the factors determined Prepare the estimate of work trading concern:  Raw materials -52, Discussion Profit-119.5, Selling price-  Projected are Average ray  Average materials -52	t is Rs. 30000. It is Rs. 30000. It is Rs. 30000. It is read to the ining working capital red rect labour-19. 130. Inual sales-7000 with materials in stores.	The debentures are retained assuming tax rate of apital.  quirement from the formula of the properties	ollowing data of a	7	L3	CO4		
Q.6	b.	The cost of floatation cost years at par. Calculate after Discuss the factors determined Prepare the estimate of work trading concern:  Raw materials -52, Discussion Profit-119.5, Selling price-  Projected are Average ray  Average materials - Credit allow	t is Rs. 30000. It is Rs. 30000. It is Rs. 30000. It is read to the ining working capital red rect labour-19. 130. Inual sales-7000 with materials in stoterials in process.	The debentures are retained assuming tax rate of apital.  quirement from the formula of the form	ollowing data of a	7	L3	CO4		
Q.6	b.	The cost of floatation cost years at par. Calculate after Discuss the factors determined Prepare the estimate of work trading concern:  Raw materials -52, Discussion Profit-119.5, Selling price-  Projected are Average ray Average manual Credit allow Credit perior	r is Rs. 30000. The tax cost of debring working capital record labour-19. The tax sales-7000 with materials in process and by suppliers.	The debentures are retained assuming tax rate of apital.  quirement from the formula of the properties	ollowing data of a	7	L3	CO4		
Q.6	b.	The cost of floatation cost years at par. Calculate after Discuss the factors determined Prepare the estimate of worth trading concern:  Raw materials -52, Discussion Profit-119.5, Selling price-  Projected are Average ray  Average materials - Credit allow Credit perion Time lag in	r is Rs. 30000. It is Rs. 30000. It is Rs. 30000. It is reacted to the rect of the labour-19. The rect of the labour-19. The rect of the labour-19. The labo	The debentures are retassuming tax rate of assuming tax rate of pital.  quirement from the formula of the pital of the pit	ollowing data of a	7	L3	CO4		
Q.6	b.	The cost of floatation cost years at par. Calculate after Discuss the factors determined Prepare the estimate of work trading concern:  Raw materials -52, Discussion Profit-119.5, Selling price-  Projected are Average ray  Average materials - Credit allow Credit perior Time lag in Overhead T	r is Rs. 30000. It is Rs. 30000. It is Rs. 30000. It is react of deburing working capital record labour-19. 130. It is in process of allowed to delignate payment of wag ime lag 1 month.	The debentures are retassuming tax rate of assuming tax rate of pital.  quirement from the formula of the pital of the pit	ollowing data of a	7	L3	CO4		
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Q.6	b.	The cost of floatation cost years at par. Calculate after Discuss the factors determined by the property of the estimate of work trading concern:  Raw materials -52, Discussion Profit-119.5, Selling price-  Projected and Average mandal Average mandal Credit allow Credit period Time lag in Overhead To 1/4 tho fisale purchased for the purchased for the part of the part of the part of the part of the purchased for the part of the p	r is Rs. 30000. It is Rs. 30000. It is Rs. 30000. It is react of deburing working capital react labour-19. 130. In ural sales-7000 with materials in process deallowed to delipayment of wag ime lag 1 monthers are on cash because of the cash of	The debentures are retassuming tax rate of assuming tax rate of pital.  quirement from the formula of the second o	ollowing data of a	7	L3	CO4		
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	b.	The cost of floatation cost years at par. Calculate after Discuss the factors determined by the property of the estimate of work trading concern:  Raw materials -52, Discussion Profit-119.5, Selling price-  Projected and Average mandal Average mandal Credit allow Credit period Time lag in Overhead To 1/4 tho fisale purchased for the purchased for the part of the part of the part of the part of the purchased for the part of the p	r is Rs. 30000.  It is Rs. 30000.  It is react of debring working capital record labour-19.  130.  Inual sales-7000 we materials in processored by suppliers defined allowed to delegayment of wageinne lag 1 monthers are on cash bor cash).  If or contingencies of duity shares of cash and cash are contingencies.	The debentures are retassuming tax rate of assuming tax rate of apital.  quirement from the formula of the form	ollowing data of a Total cost-111,	7	L3	CO4		
Q.6 Q.7	b.	The cost of floatation cost years at par. Calculate after Discuss the factors determined by the Prepare the estimate of work trading concern:  Raw materials -52, Discrete Profit-119.5, Selling price-  Projected are Average ray  Average materials - Credit allow  Credit perior Time lag in Overhead To the of sale purchased for Allow 10%  A company issues 15% expression of the compa	r is Rs. 30000. It is Rs. 30000. It is react of debring working capital recording the rect labour-19. 130. In ual sales-7000 with materials in process of allowed to delegayment of wag inne lag 1 month is are on cash befor cash). If or contingencies the cost of retails in ground the reach of the cost of retails in ground the reach of the cost of retails in ground the reach of the cost of retails in ground the reach of the cost of retails in ground the reach of the cost of retails in ground the reach of the cost of retails.	The debentures are retassuming tax rate of assuming tax rate of apital.  quirement from the formula of the second	ollowing data of a Total cost-111, s Rs.120000( 1/4th	7	L3			

	c. From the following information calculate operating cycle and cash cycle: Sales-800,	10	L4	CO5
	Cost of goods sold-720,			
	Inventory : Opening Inventory-96,			
	ClosingInventory-102			
	Accounts receivable:			
	Opening receivable-86,			
	Closing receivable-90.			
	Accounts payable : Opening payable-56,			
	Closing payable-60			
	Closing payable-00			
	Compulsory Questions			
Q.8	Mr. M is considering a capital project with a following information:	20	L3	CO4
	Investment outlay of the project is Rs100 million this consists of Rs.80 million on			
	plant & machinery and Rs.20 million on net working capital. The project will be			
	financed with Rs.45 million of equity capital, Rs.5 million of preference capital			
	and 50 million of debt capital. Preference capital carry a dividend rate of 15 %			
	and debt capital 15%. Life of the project is expected to be 5 years, at the end of 5			
	years fixed asset will fetch net salvage value of Rs.30 million, Project is expected			
	to increase the revenue of the firm by Rs.120 million per year.			
	Increase in cost is expected to be Rs.80 million per year (it includes all items of			
	cost other than depreciation interest and tax). Tax rate will be 30 %. Plant and			
	machinery will be depreciated at the rate of 25% per year WDV Method. Estimate			
	the cash flow of the firm			
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